
PUBLIC DISCLOSURE

November 5, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**GE Capital Financial Inc.
Certificate Number 33778**

**6510 Millrock Drive, Suite 200
Salt Lake City, Utah 84121**

**Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **GE Capital Financial Inc. (GECFI)** prepared by the **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **November 5, 2008**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **SATISFACTORY**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

LENDING, INVESTMENT, AND SERVICE TEST TABLE:

The following table indicates the performance level of the institution with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	GE Capital Financial Inc		
	PERFORMANCE TESTS		
	Lending Test	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			

SUMMARY OF MAJOR FACTORS SUPPORTING RATING:

GECFI is a “large bank” for the purposes of the CRA and, therefore, large bank examination procedures were used. The institution’s overall rating is a function of its performance under the lending, investment, and services tests within the context of its operations and the needs of its defined assessment area. The major factors supporting the bank’s satisfactory rating are summarized below.

LENDING TEST

- The bank has made a significant level of community development loans. The bank originated 13 qualified community development loans totaling \$4.3 million. In addition, an affiliate originated 12 qualified community development loans totaling \$13 million during the review period of August 15, 2005, through November 5, 2008. (Total: \$17.3 million)
- As a nationwide lender, a very small percentage of the bank’s loans are made in the assessment area. However, the bank exhibits a good geographic distribution of loans within the assessment area.

INVESTMENT TEST

- The bank has a significant level of qualified community development investments and grants, particularly those that are not routinely provided by private investors. The bank’s investment and grant activity for the review period includes 53 qualified investments totaling \$32.8 million and 45 qualified donations totaling \$262,000. During the review period, an affiliate extended two qualified investments and donations totaling \$9.4 million. (Total bank and affiliate activities included \$42.5 million in qualified investments and donations).
- The bank exhibits good responsiveness to credit and community economic development needs.
- The bank rarely uses innovative and/or complex investments to support community development initiatives.

SERVICE TEST

- The bank provides an adequate level of community development services, with bank officers and employees providing approximately 1,720 hours of community development services over the review period.
- Retail services, while limited, do not vary in a way that inconveniences portions of the assessment area(s), particularly low- and moderate-income geographies and/or individuals.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW:

An isolated violation of the Equal Credit Opportunity Act, involving discrimination on the basis of marital status, was identified during the examination. Given the isolated nature, the violation did not negatively impact the bank's CRA rating.

INSTITUTION

DESCRIPTION OF INSTITUTION

GECFI is a Utah State chartered Industrial Loan Corporation with a single office headquartered in Salt Lake City, Utah. GECFI is a wholly- owned subsidiary of GE Consumer Finance, Inc., which is wholly- owned by GE Capital Corporation (GECC). The bank's only office is located in an upper-income census tract. As of September 30, 2008, GECFI reported total assets of \$12.9 billion, which reflects a substantial increase from \$1.9 billion from the August 15, 2005, CRA Evaluation. Total loans amount to \$11.5 billion and total deposits equal \$10.4 billion, with a net loan-to-deposit ratio of 110 percent.

The composition of the bank's loan portfolio, as of September 30, 2008, is shown in Table 1. As of September 30, 2008, commercial loans comprise 66 percent of net loans and commercial leases comprise 23 percent. Deposit products offered by the bank include certificate of deposits, statement savings accounts and brokered deposits.

Table 1 Composition of Loan Portfolio as of 9/30/2008		
Loan Type	Dollar Amount (000s)	Percent of Total Loans (%)
Commercial Real Estate	226,492	2
Total Real Estate Loans	226,492	2
Commercial/Industrial	7,626,726	66
Loans to banks	983,000	9
Consumer (Single Payment and Installment)	17,061	nom
Lease Financing Receivables	2,668,516	23
All Other Loans	9,654	nom
Less: Unearned Income	0	0
Total Loans	11,531,449	100

Source: 9/30/2008 Consolidated Reports of Condition and Income (Call Report)

Since August 2005, GECFI has focused its business on commercial credit card products, as well as private-label credit cards, issued by retailers to business customers on a nationwide basis. In 2008, the bank changed to a commercial finance business offering a variety of credit products including commercial real estate financing to businesses on a nationwide basis. In March 2008, GECFI began selling their commercial credit card businesses. In July 2008, GECFI purchased \$10.6 billion in commercial loans and leases from CitiCapital, a unit of Citigroup. The bank's current business strategy focuses on a variety of lending products to businesses. These products include equipment, inventory, healthcare, and franchise financing, syndicated loans and business property loans. The bank does not offer any consumer lending products.

The bank has a small on-site staff, and has no walk-in traffic. Virtually all of the bank's customers are located outside the State of Utah.

The bank has no legal or financial impediments that prevent it from helping meet the credit needs of its assessment area. GECFI received a "Satisfactory" rating at the August 15, 2005, evaluation of the bank's CRA performance.

There is strong competition for financial services in Utah. The bank operates in a highly competitive market. GECFI faces competition from 58 financial institutions in Salt Lake County for deposit market share. The institutions operate 260 banking offices and hold approximately \$201 billion in deposits. According to the Summary of Deposits Market Share Report dated June 30, 2008, GECFI was ranked 13th with a 1.85 percent share of the market's deposits.

DESCRIPTION OF ASSESSMENT AREA

GECFI has designated Salt Lake County as its assessment area. Salt Lake County comprises part of the Salt Lake City, Utah, Metropolitan Statistical Area (MSA) #41620. This assessment area meets regulatory requirements and does not arbitrarily exclude low- and moderate-income neighborhoods. Summit and Tooele Counties comprise the remainder of the MSA.

Salt Lake County covers approximately 737 miles and is the most densely populated county within the state. It encompasses Salt Lake City (the state's capitol) and several smaller cities and residential communities including Murray, Draper, Sandy, South Jordan, West Jordan, Magna, and West Valley.

Top employers in Salt Lake County include health care, military, education, state and federal government, and airline industries. The county is also home to most of the major insured financial institutions in the state, including regional banks, credit unions, and industrial banks.

Demographic Information for Salt Lake County

Salt Lake County contains 193 census tracts. Selected population and business demographics are detailed in Table 2.

Table 2 Demographics of Salt Lake County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	193	2.59	22.28	46.63	28.50	0.00
Population by Geography	898,387	0.85	23.55	48.82	26.78	0.00
Owner-Occupied Housing by Geography	203,690	0.21	17.40	51.86	30.53	0.00
Business by Geography for 2007	90,231	8.43	22.74	40.33	28.50	0.00
Family Distribution by Income Level	215,864	16.99	19.92	24.85	38.23	0.00
Distribution of Low- and Moderate-Income Families throughout assessment area Geographies	79,691	1.56	35.80	49.27	13.37	0.00
Median Family Income HUD Adjusted Median Family Income (MFI) or 2007 Households Below Poverty Level		54,586 60,100 8%	Median Housing Value Unemployment Rate (2000 US Census)	165,698 2.37%		

(*) The NA category consists of geographies that have not been assigned an income classification.

Sources: 2000 U.S. Census, 2007 HUD updated MFI, and 2007 D&B

According to information obtained from D&B, 90,231 businesses are located in Salt Lake County. Approximately, 64 percent of these businesses reported gross annual revenues of \$1 million or less.

Economic Information

Salt Lake County is in the heart of Utah's economic core. The Salt Lake valley is home to nearly 1 million residents and 40,000 businesses. A good number of those businesses are high technology businesses.

Table 3 Economic Comparisons			
Comparative Employment Growth			
Year	USA	Utah	Salt Lake County
2005	1.8%	4.1%	4.2%
2006	1.9%	4.6%	4.3%
2007	1.1%	3.6%	3.5%
3Q08	-0.1%	1.6%	1.8%
Comparative Personal Income Growth			
Year	USA	Utah	Salt Lake County
2005	5.9%	10.5%	10.6%
2006	6.6%	8.2%	7.9%
2007	6.4%	9.3%	Not available
Comparative Population Growth			
Year	USA	Utah	Salt Lake County
2005	1%	2.8%	2.4%
2006	1%	2.8%	1.8%
2007	1%	2.5%	2.3%
Comparative Unemployment Rate			
Year	USA	Utah	Salt Lake County
2005	5.1%	4.2%	4.1%
2006	4.6%	3.0%	2.9%
2007	4.6%	2.7%	2.6%
3Q08	6.0%	3.6%	3.5%

Source: FDIC Recon and 2008 Economic Report to the Governor, State of Utah

Small businesses make up most of the employer firms in the state, provide economic opportunities to diverse groups of people, and bring innovative products and services to the marketplace. Utah had 54,152 small employers (fewer than 500 employees) in 2005, representing 97 percent of the state's employers and 50 percent of its private sector employment. Small businesses created 86.5 percent of the state's net new jobs from 2004 to 2005.

According to community contact information, housing affordability and issues associated with housing continues to be a concern due to a higher cost of living; particularly affordable multi-family rental housing. In addition, housing for persons with physical disabilities low-income households with members who have mental disabilities, housing for the homeless or persons at risk of becoming homeless, and housing for persons and families with special needs is a concern in the assessment area.

Bank's Identification of Community Needs

In meeting its CRA responsibilities, the bank identified the following areas where it focused its community development efforts:

1. Affordable housing for low- and moderate-income individuals, particularly housing for persons with special needs;
2. Revitalization of neighborhoods;
3. Economic development, including creating jobs for low-income individuals;
4. Community development that supports long term economic and social health of the city; and
5. Empowering low-income individuals in federally assisted and public housing to achieve self-sufficiency.

Community Credit Needs

In conjunction with this evaluation, examiners reviewed two community contacts with housing authority representatives in Salt Lake County. One contact perceives financing for affordable housing as a primary credit need of the county. This contact also expressed a need for financial education to new homeowners and education to residents of the community on how to avoid predatory lending. The other contact expressed a need for donations to housing organizations to support their efforts in getting families into homes.

SCOPE OF EXAMINATION

Based on GECFI's asset size as of years-end 2006 and 2007, the bank's CRA performance was analyzed under the large bank CRA examination procedures. These procedures include the lending, investment, and service tests.

GECFI originates commercial loans nationwide, generally in amounts less than \$1 million, and reports small business loan data, as is required of large banks under the CRA. As a nationwide commercial lender, the bank's lending activity within its designated assessment area is nominal in comparison to its overall lending activity. In addition, the bank does not originate any home mortgage loans, including any for which the bank is required to collect and report data for purposes of the Home Mortgage Disclosure Act. Based on these factors, the CRA Evaluation focused primarily on the bank's qualified community development lending activities. The bank's small business lending volume and patterns within its assessment area was given little weight in the overall assignment of a rating.

An analysis of the bank's reported small business lending activity for 2006, 2007, and year-to-date 2008 is presented in the evaluation. Transactional testing of this data revealed systemic errors in the bank's reporting of borrower revenue size. As such, an analysis of the distribution of borrower revenues was not performed. The bank's small business lending distribution was

compared to the lending distribution of all reporting institutions in 2006, and the geographic distribution of all small businesses (90,231 as per June 30, 2007, D&B) in the assessment area.

The CRA requires institutions with total assets of more than \$1 billion to make annual public disclosures of their small business, small farm, and community development lending activity. The 2006 aggregate lending data provided in the lending analysis includes all small business loans originated within Salt Lake County by 87 reporting institutions. This activity represents 47,216 loans totaling over \$984 million.

The large bank service test evaluates the availability and effectiveness of the institution's systems for delivering retail-banking services. In addition, the extent and innovativeness of the bank's community development services are also reviewed. GECFI's retail services are limited because it does not solicit or actively market consumer loan or deposit products. GECFI also does not offer commonly provided branch services, such as a lobby for walk-in customers. As such, this examination's service test focuses primarily on the bank's qualified community development services, with very little weight provided to retail services.

All community development loans, investments, and services were reviewed from August 15, 2005, through November 5, 2008. In addition, community development activities of the bank's affiliate, GECC, were also reviewed. Examiners evaluated GECFI's and its affiliates' community development performance in the context of the following:

- The current economic environment,
- Demographic characteristics of its assessment area,
- Lending opportunities within its assessment area,
- Institution financial resources and constraints,
- Institution product offerings and business strategy,
- Information derived from community contacts, and
- Performance of similarly situated institutions, if any.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

OVERALL CRA RATING: SATISFACTORY.

The Lending Test is rated: High Satisfactory.

The Investment Test is rated: High Satisfactory.

The Service Test is rated: Low Satisfactory.

GECFI has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. GECFI focused on qualified community development loans, investments, and services that benefit its assessment area and the larger statewide area that includes its assessment area. The bank's total dollar volume of qualified loans and investments is approximately \$59.8 million, which represents 0.46 percent of total assets as of September 30, 2008, and 1.91 percent of average assets over the review period. With the purchase of \$10.6 billion in commercial loans and leases from CitiCapital in July 2008, GECFI's assets as of September 30, 2008, showed an increase of over four times the average. As such, the comparison of qualified community development dollars to average total assets is considered a more reasonable measure of GECFI's performance than the comparison to total assets as of September 30, 2008. GECFI's ratio of total qualified community development dollars to average total assets is relatively high when compared to other similarly sized institutions headquartered in Utah.

LENDING TEST

Community Development Lending

The bank extended a relatively high level of community development loans. The bank originated 13 qualified community development loans totaling \$4.3 million over the review period of August 15, 2005, through November 5, 2008. In addition, an affiliate originated 12 qualified community development loans totaling \$13 million during the review period. In total, this activity (\$17.3) represents 0.55 percent of average assets since the previous CRA Evaluation. It also represents an increase in the dollar amount of community development lending since the previous evaluation of August 15, 2005, when the bank reported loans totaling \$3.6 million.

This performance reflects good responsiveness to the community development, credit, and small business development needs of low- and moderate-income geographies in the assessment area.

Table 4 provides a summary listing of the bank and its affiliates' qualified community development lending activity, by community development purpose and year. As shown in the table, the bank's activity was strongest in year 2006. GECFI relied primarily on its affiliates' activities in 2007, as it was preparing for a transition from credit card lending to commercial loans and leases. In addition, GECFI was preparing for a purchase of \$10.6 billion in commercial loans and leases from CitiCapital, which culminated in 2008.

Table 4 – Community Development Lending Activity										
Community Development Purpose	4th Qtr. 2005		2006		2007		YTD 2008		Total	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
GECFI Loans										
State and City Affordable Housing Loan Pools	4	132	4	1,196	1	9	0	0	9	1,337
Unfunded Commitment to State Affordable Housing Loan Fund	0	0	0	0	0	0	1	914	1	914
Revitalization of low-and moderate-income census tracts	0	0	1	1,300	0	0	0	0	1	1,300
Loans to Community Development Service Agencies	0	0	1	245	0	0	1	500	2	745
Total GECFI Loans	4	132	6	2,741	1	9	2	1,414	13	4,296
Affiliate Loans										
Revitalization of low-and moderate-income census tracts	3	5,801	0	0	6	6,820	3	378	12	12,999
Total Affiliate Loans	3	5,801	0	0	6	6,820	3	378	12	12,999
Total Community Development Loans and Commitments	7	5,933	6	2,741	7	6,829	5	1,792	25	17,295

Source: Bank Records from August 15, 2008 through November 5, 2008.

GECFI's community development lending focus is affordable housing and community revitalization. As shown in Table 4, the majority of the total community development lending activity finances affordable housing and the revitalization of low- and moderate-income census tracts. The following narratives describe some of the community development loans that benefit the Salt Lake County assessment area and/or the larger statewide area.

State Affordable Housing Loan Pool – GECFI is a founding member of a coalition of Utah financial institutions brought together to form a loan pool that provides long-term, fixed-rate financing for low- and moderate-income multi-family housing projects located throughout Utah.

Since its inception in 2000, the loan pool has grown from \$40 million to \$86 million, funded over \$57 million in affordable housing loans, and generated over 3,000 units of affordable housing units. Institution participation in the loan pool ranges from 0.10 percent to 20 percent from a total of 36 Utah-based financial institutions. GECFI's total loan pool participation is \$1.16 million, or 1.35 percent of the total loan pool. Over the review period, \$244,000 was distributed among eight affordable multi-family housing projects in Utah. Increased construction costs and the limited availability of tax credits, have reduced the number and size of projects, leading to a decrease in the pool's loan production over the years 2007 and 2008.

City Affordable Housing Loan Pool – In 2006, GECFI purchased a total of \$1.1 million in loans made under qualified first time homebuyer and housing rehabilitation programs sponsored by the City of Salt Lake. The first-time homebuyer program assists low- and moderate-income buyers in acquiring their first home. The housing rehabilitation program assists low- and moderate-income homeowners in making home repairs. Six loans to low-income residents of Salt Lake City were included in the purchase of loans by GECFI

Revitalization of the Gateway District of Salt Lake City - GECFI's loan to finance the construction of the Citifront property in 2002 resulted in an additional 155 mixed-income residential rental housing units and 13,000 square feet of commercial space in the Gateway District. This is located within the Salt Lake City Redevelopment Agency's Depot District Project Area, an urban renewal area. Approximately 60 percent of the residential units (94) were targeted as affordable housing under the federal low-income housing tax credit program, with 85 of these units occupied by tenants earning no more than 60 percent of the area median income and 9 occupied by tenants earning no more than 50 percent of the area median income. The project experienced much higher expenses than originally anticipated. In order to allow the borrower to increase the property's cash flow, GECFI refinanced the \$1.3 million loan in 2006, resulting in an interest rate decrease from 6.4 percent to 3 percent with interest only payments for 2 years.

Affiliate Community Development Lending Activities - Over the review period, GECC, an affiliate of GECFI, made 12 qualified community development loans, totaling \$13 million. The loans financed the purchase, renovation, and/or expansion of commercial buildings and healthcare facilities in low- or moderate-income geographies in Salt Lake County. These loans serve to revitalize and stabilize low- and moderate-income geographies by providing jobs and helping to meet essential community needs, including those of low- and moderate-income individuals. GECC originated five of these loans under the SBA 504 loan program, in conjunction with certified development corporations located in Salt Lake City.

Small Business Lending

Lending Activity

GECFI's level of small business lending reflects good responsiveness to assessment area credit needs. Nationwide, GECFI reported 498,206 small business loans totaling \$2.09 billion in 2006 and 554,060 small business loans totaling \$3.13 billion in 2007. In addition, 2008 year-to-date

lending activity is 269,105 loans totaling \$1.23 billion. Of this nationwide activity, GECFI originated 0.28 percent or less by number and 0.33 percent or less by dollar volume in the Salt Lake County assessment area for each year. A market share analysis of all reported small business loan originations in 2006 within Salt Lake County shows GECFI is ranked 8th of 87 reporting institutions by number of loans and 20th by dollar volume of loans. GECFI's market shares are 2.71 percent by number and 0.71 percent by dollar volume and the average loan size is \$5,000.

Assessment Area Concentration

As a nationwide lender, a very small percentage of GECFI's loans are extended within the assessment area. In 2006, GECFI funded 1,280 small business loans totaling \$7 million within the assessment area; 1,541 loans totaling \$8.8 million in 2007; and 681 loans totaling \$3.6 million during year-to-date 2008. This represents 0.28 percent or less of the number and 0.33 percent or less of the dollar volume of loans originated by the bank nationwide for each year. This performance is reasonable based on the bank's focus on nationwide commercial lending.

Geographic Distribution of Loans

GECFI's geographic distribution of loans reflects excellent penetration throughout the assessment area. Table 5 illustrates the distribution by number of loans among each census tract income level for the years 2006, 2007, and year-to-date 2008. GECFI's distribution compares reasonably or better to the percentage of businesses within low-income geographies (8.43 percent) and compares very favorably to the percentage of businesses within moderate-income geographies (22.74 percent) each year. Additionally, GECFI's lending performance exceeds peer small business lending performance in both low- and moderate-income geographies each year. This evidences that the bank is focusing on the credit needs of businesses, including those that are located in low- or moderate-income geographies.

Table 5 - Distribution of Small Business Loans by Census Tract Income Level								
Census Tract Income Level	2006			2007		YTD 2008		Distribution of Businesses ***
	GECFI Performance*		Peer Data**	GECFI Performance*		GECFI Performance*		
	#	%	%	#	%	#	%	
Low	137	10.70	6.73	116	7.53	51	7.49	8.43
Moderate	342	26.72	21.68	455	29.52	179	26.28	22.74
Middle	530	41.41	40.46	627	40.69	301	44.20	40.33
Upper	271	21.17	31.13	343	22.26	150	22.03	28.50
Total	1,280	100.00	100.00	1,541	100.00	681	100.00	100.00

Sources: * Bank's reported CRA Data, ** Aggregate Lending Data, and *** June 30, 2007 D&B.

Borrowers' Profile

This criterion is not rated. Transactional testing of GECFI's reported small business loan data revealed systemic errors in the bank's reporting of borrower revenue size. As such, an analysis of the distribution of borrower revenues was not performed. Furthermore, due to the bank's nationwide commercial lending focus and relatively nominal level of lending within its assessment area, very little weight is given to the bank's small business lending patterns within its assessment area.

Responsiveness to Credit Needs of Highly Economically Disadvantaged Geographies, Low-Income Individuals, and Very Small Businesses

The institution exhibits a good record of serving the credit needs of the most economically disadvantaged areas of its assessment area, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices. GECFI's geographic distribution performance is excellent, exceeding 2006 aggregate lending performance in lending to businesses located in low- and moderate-income geographies. GECFI's borrower profile performance was not analyzed or rated, due to systemic errors in the bank's reported small business revenue data.

Product Innovation and Flexibility

GECFI makes use of innovative lending practices in order to serve assessment area credit needs. In July 2008, GECFI began offering a variety of lending products to businesses nationwide, including equipment, inventory, healthcare, and franchise financing; syndicated loans, and business property loans. The bank utilizes a credit scoring system to underwrite most of these loans and provide prompt credit decisions. In addition, the bank's affiliate, GECC, offers SBA 504 and 7a loan products; an identified credit need in the assessment area.

INVESTMENT TEST

Level of Qualified Investment and Grant Activity

The bank has made a significant level of qualified community development investments and grants, occasionally in a leadership position, and particularly those that are not routinely provided by private investors. The bank's investment and grant activity for the review period includes 53 qualified investments totaling \$32.8 million and 45 qualified donations totaling \$262,000. In addition, an affiliate made two qualified investments totaling \$9.4 million during the review period. Total qualified investments and grants (\$42.5 million) represents 1.36 percent of average assets for the review period. In addition, this activity represents a significant increase in the dollar amount of community development lending since the previous evaluation of August 15, 2005, when the bank reported community development loans totaling \$6.1 million.

In evaluating qualified investments, examiners consider ongoing qualified community development investments and new investments made over the current review period. The bank had 29 ongoing qualified investments with outstanding balances totaling \$5.6 million as of the date of the previous evaluation. Another 24 new qualified investments totaling \$27.2 million were also extended over the current review period. Table 6 summarizes the number and dollar volume of both qualified investments and qualified donations made by GECFI and its subsidiary, GECC.

Table 6 – Qualified Community Development Investment and Grant Activity										
Community Development Purpose	4th Qtr. 2005		2006		2007		YTD 2008		Total	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Outstanding Prior Period Investments	29	5,603	0	0	0	0	0	0	29	5,603
Federal National Mortgage Association (FNMA) Mortgage-Backed Securities	0	0	1	1,018	0	0	7	14,597	8	15,615
State Affordable Housing Bonds	1	750	6	5,645	2	835	3	4,130	12	11,360
Small Business Investment Companies	1	6	1	6	0	0	2	213	4	225
Total GECFI Investments	31	6,359	8	6,669	2	835	12	18,940	53	32,803
Affiliate's State Tax Exempt Public Activity Bonds	0	0	0	0	1	1,905	1	7,500	2	9,405
GECFI Grants and Donations	4	17	16	56	4	4	21	185	45	262
Total Qualified Investments, Grants, and Donations	35	6,376	24	6,725	7	2,744	34	26,625	100	42,470

Source: Bank Records from August 15, 2008 through November 5, 2008.

GECFI's qualified investment and grant activity primarily target the identified community credit needs for affordable housing, financial education, small business development, and community development services for low- and moderate-income individuals.

The following are descriptions of the qualified investments made over the review period.

FNMA Single-Family Mortgage-Backed Securities - GECFI maintains a \$2.6 million investment in 6 pools of mortgage-backed securities and has invested another \$15.6 million in 8 more pools of mortgage-backed securities over the review period. The mortgages backing these securities are comprised of loans originated to low- and moderate-income borrowers residing in Salt Lake County and the larger statewide area. Underwriting requirements for all FNMA pools purchased by GECFI mandate that the principal amount of these securities be backed by loans made to low- and moderate-income borrowers.

State Affordable Housing Bonds – GECFI maintained a \$2.2 million investment in 7 Utah affordable housing bonds and invested another \$11.4 million in 12 more Utah affordable housing bonds. These bonds support the development of affordable housing for low- and moderate-income individuals throughout the State of Utah.

Small Business Investment Companies (SBICs) - GECFI maintains 15 investments totaling \$706,000 in 2 SBICs serving Salt Lake County and the larger statewide or regional areas. New investments include 2 investments totaling \$12,000 in one of the same SBICs, and 2 investments totaling \$213,000 in a third SBIC serving the State of Utah. These SBIC's provide capital to start-up or expansion-stage small businesses. A significant portion of SBIC funds are provided to assist the companies in growing their employee base. As a result, these investments serve to create numerous new jobs in Salt Lake County and the larger statewide or regional areas.

GECFI's Grants and Donations - Over the review period, GECFI made a total of 45 qualified grants and donations totaling \$262,000 to 30 different community organizations, which serve community development needs within the assessment area. These organizations provide for affordable housing, financial education, small business development, and community services for low- and moderate-income individuals and families in Salt Lake County.

Affiliate's State Tax Exempt Public Activity Bonds – GECC, an affiliate of GECFI, invested \$9.4 million in two Utah State Tax Exempt Public Activity Bonds. The State of Utah has an allocated amount of private activity tax-exempt bonds that are available for manufacturers. The borrower must apply to the Utah State Board for use of the tax-exempt funds. In order to qualify for the tax-exempt financing, the borrower must provide proof that the proceeds of the bonds will be used to revitalize, stabilize or create new jobs in the low- or moderate-income geography where the funds are used. These particular bonds help low- and moderate-income communities in Salt Lake City expand its economic base in order to create permanent job creation and retention.

Responsiveness to Credit and Community Development Needs

GECFI exhibits good responsiveness to credit and community economic development needs. The bank's investments and grants primarily target the identified community credit needs. These include affordable housing, financial education, and community services for the disabled and low- and moderate-income individuals. This performance reflects good responsiveness to credit and community development needs.

Innovative and Complex Investments

GECFI rarely uses innovative or complex qualified investments to support community development initiatives. Increases in the level of the bank's investments from the prior evaluation were within the same product types - affordable housing bonds, mortgage-backed securities, and investments in SBICs. These types of investments are not necessarily innovative or complex; although they do supply funds for identified credit needs. GECFI's affiliate provided two investments in state public activity bonds that are unlike the bank's prior investments.

SERVICE TEST

Community Development Services

The bank provides an adequate level of community development services. Bank officers and employees provided approximately 1,720 hours of qualified community development services over the review period (12 hours in fourth quarter 2005; 755 hours in 2006; 474 in 2007; and 479 in 2008). Since the prior CRA Evaluation, former and new management are serving in a directorate capacity or on committees of many non-profit organizations. Bank officers and employees are involved in numerous community development organizations. Such organizations include those that facilitate affordable housing, small business loans, community rehabilitation, redevelopment, financial literacy, and many other community services. These services are directed to low- and moderate-income individuals and families within Salt Lake County. Descriptions of a few notable community development services are provided below:

- A member of management serves on the Board of Directors of several organizations that provide after-school care for low-income youth, financial education (reading skills), and financial education to youth in Title 1 schools in Salt Lake County. One of these organizations is dedicated to increasing student academic achievement in the Salt Lake City School District. Institution documentation reveals that over 52 percent of the youth attending Salt Lake City School District schools are low or moderate income and at certain schools, the ratio of low- and moderate-income students is over 80 percent (11 of the 42 schools).
- A member of management serves on the Board of Directors of an organization that serves the needs of low- and moderate-income individuals with disabilities in Salt Lake City and the surrounding area. Services provided by the organization include personal and social

development, job coaching, employment support, assessment and occupational skill training, and several levels of residential support.

- A member of management serves on the Board of Directors of an organization that assists low- and moderate-income residents of Utah by fostering the development and preservation of quality housing. This organization is a non-profit, multi-financial institution association, serving as a channel for community development. The association offers flexible financing for affordable housing, works with government agencies to maximize public and private dollars, and provides technical assistance to project sponsors.

Additionally, bank personnel volunteered 877 in community service hours that did not meet CRA criteria, by performing volunteer work in a non-financial capacity for non-profit organizations. This volunteer activity included caring for senior citizens, participating in fund-raising activities, holding holiday parties for low- and moderate-income families, assisting with playground clean-up, painting homes, acting as “Sub-for-Santa,” and yard clean-up for senior citizens.

Retail Services

Reasonableness of Services and Business Hours in Meeting Assessment Area Needs

GECFI’s retail services, while limited, do not vary in a way that inconveniences portions of the assessment area(s), particularly low- and moderate-income geographies and/or individuals. GECFI’s retail service performance is limited because the bank does not solicit or actively market consumer loan or deposit products and does not offer commonly provided branch services, such as a lobby for walk-in customers. As such, retail services are given very little weight in determining the overall Service Test rating.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the bank’s assessment area. The bank’s business plan has changed recently by offering a variety of non-credit card commercial loan and lease products. GECFI’s new commercial lending services are limited to nationwide solicitation of commercial businesses and healthcare providers.

Changes in Branch Locations

To the extent changes have been made, the bank’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate- income individuals. In 2008, the bank moved its headquarters from Cottonwood to Salt Lake City. The bank does not have any branches.

Fair Lending or Other Illegal Credit Practices Review

An isolated violation of the Equal Credit Opportunity Act, involving discrimination based on marital status, was identified during the examination. Given the isolated nature, the violation did not negatively affect the bank's CRA rating.

APPENDIX A

SCOPE OF EXAMINATION:

GE Capital Financial Inc.
SCOPE OF EXAMINATION: Large Bank procedures with focus on institution's community development lending, investment, and service activities, and to a much lesser extent small business lending volume and patterns, and retail banking services.
TIME PERIOD REVIEWED: August 15, 2005, through November 5, 2008
PRODUCTS REVIEWED: Community development lending, investment, and service activities; small business lending activities; and retail banking services.

LIST OF AFFILIATES AND PRODUCTS REVIEWED		
AFFILIATE(S):	AFFILIATE RELATIONSHIP:	PRODUCTS REVIEWED:
General Electric Corporation	Lead Parent	None
GE Capital Services, Inc.	Second Tier Parent	None
GE Capital Corporation (GECC)	Third Tier Parent	Community Development Loans and Investments
GE Consumer Finance, Inc.	Parent	None
GE Money Bank (FSB)	Affiliate	None
GECCI	Fully consolidated operating subsidiary	None

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA:	TYPE OF EXAMINATION:	BRANCHES VISITED:	OTHER INFORMATION:
Salt Lake County	Full-Scope, On-site	GECFI Headquarters	

APPENDIX B

SUMMARY OF STATE AND MULTISTATE MSA RATINGS				
STATE OR MULTISTATE MSA NAME:	LENDING TEST RATING:	INVESTMENT TEST RATING:	SERVICE TEST RATING:	OVERALL STATE RATING:
Utah	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

APPENDIX C - GENERAL DEFINITIONS

GEOGRAPHY TERMS

Block: Small areas bounded on all sides by visible features such as streets, roads, streams or rail road tracks, and invisible features like city or town boundaries or property lines. Blocks are subdivisions of census tracts or block numbering areas (BNA), and are assigned a unique three-digit number.

Block Group: Clusters of blocks within a census tract or BNA, having a four-digit number and a three-digit suffix. The four-digit number corresponds to the same number given to the census tract or BNA in which it is located.

Block Numbering Areas (BNAs): Statistical subdivisions of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. BNAs do not cross county lines.

Census Tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Metropolitan Area (MA): One or more large population centers and adjacent communities that have a high degree of economic and social integration. Each MA must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MA comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MAs are composed of cities and towns rather than whole counties.

Metropolitan Statistical Area (MSA): One or more metropolitan areas that have economic and social ties.

Primary Metropolitan Statistical Area (PMSA): A large urbanized county or cluster of counties that demonstrate very strong internal economic and social links, in addition to close ties to other portions of the larger area. If an area qualifies as an MA and has more than one million persons, PMSAs may be defined within it.

Consolidated Metropolitan Statistical Area (CMSA): The larger area of which PMSAs are component parts.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural

classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

Rural Area: Territories, populations and housing units that are not classified as urban.

HOUSING TERMS

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

INCOME TERMS

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Family Income: Includes the income of all members of a family that are age 15 and older.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

OTHER TERMS

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

Small Business Loan: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

APPENDIX D - INVESTMENT DEFINITIONS

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. The equity investments are subject to limits specified by the bank's regulator. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community as well as to the financial and marketing needs of the bank. A CDC may purchase, own, rehabilitate, construct, manage and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization. Any real estate ownership should generally be temporary, with ownership reverting to members or organizations in the community.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. They procure loans and investments that conventional financial institutions are unable to invest in, and they link financing to other developmental activities. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. CDFIs share a common mission and can be chartered as a credit union or bank. CDFIs can also be unregulated nonprofit institutions that gather private capital from a range of social investors for community development lending or investing. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, microenterprise funds, and community development venture capital funds. A certified CDFI must meet eligibility requirements, which include: having a primary mission of promoting community development; serving an investment area or target population; providing development services; maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means; and not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Low Income Housing Tax Credits: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended, which is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department, through the Internal Revenue Service, distributes low-income housing tax credits to housing credit agencies. The housing agencies allocate tax credits on a competitive basis. Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits or sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains in place throughout the compliance period, usually 30 years.

Qualified Investments: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development to support the following endeavors: 1) affordable housing; 2) community services targeting low- and moderate-income individuals; 3) activities that promote economic development by financing small farms and small businesses; and 4) activities that revitalize or stabilize low- and moderate-income geographies.

APPENDIX E - STANDARD PE LANGUAGE

LENDING TEST

Scope of Test

The lending test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by considering an institution's home mortgage, small business, small farm, and community development lending. The institution's lending performance is evaluated pursuant to the following criteria: 1) the volume of lending activity; 2) the proportion of lending within the assessment area(s); 3) the dispersion of loans and the number and amount of loans in low-, moderate-, middle- and upper-income geographies in the assessment area(s); 4) the distribution of loans among borrowers of low-, moderate-, middle- and upper-income levels and businesses (including farms) of different sizes; 5) the distribution of small business and small farm loans by loan amount at origination; 6) the volume of community development lending; and 7) the use of innovative or flexible lending practices. Performance under the lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Community Development Lending:

Performance Criteria

The institution's community development lending activities are evaluated pursuant to the following criteria: 1) the extent to which community development lending opportunities have been made available to the institution; 2) the responsiveness of the institution's community development lending; and 3) the extent of leadership the institution has demonstrated in community development lending.

Innovative and Flexible Lending Practices:

Performance Criteria

The institution's innovative and flexible lending practices are evaluated pursuant to the following criteria: 1) the degree to which the loans serve low- and moderate-income creditworthy borrowers in new ways or serve groups of creditworthy borrowers not previously served by the institution; and 2) the success of each product serving low- and moderate-income borrowers, including the number and dollar volume of loans originated during the review period.

INVESTMENT TEST

Scope of Test

The investment test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through its use of qualified investments that benefit the assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s). Activities considered under the lending or service test may not be considered under the investment test. The institution's investment performance is evaluated pursuant to the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; and 4) the degree to which the qualified investments are not routinely provided by private investors.

SERVICE TEST

Scope of Test

The service test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The institution's retail banking services are evaluated pursuant to the following criteria: 1) the distribution of the institution's branches among geographies of different income levels; 2) the record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that primarily serve low- or moderate-income individuals; 3) the availability and effectiveness of alternate systems for delivering retail banking services; and 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

In addition, the institution's community development services are evaluated pursuant to the following criteria: 1) the extent of community development services offered and used; 2) the innovativeness of community development services, including whether they serve low- and moderate-income customers in new ways or serve groups of customers not previously served; 3) the degree to which they serve low- and moderate-income areas or individuals; and 4) their responsiveness to available opportunities for community development services.